



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
LINCOLN COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

**EDWARD B. HATCHETT, JR.
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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Ronald W. Gilbert, Lincoln County Judge/Executive

Honorable James R. Reed, Former County Judge/Executive

Members of the Lincoln County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Lincoln County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Lincoln County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Lincoln County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Lincoln County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Ronald W. Gilbert, Lincoln County Judge/Executive

Honorable James R. Reed, Former County Judge/Executive

Members of the Lincoln County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Lincoln County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 1999 on our consideration of Lincoln County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -
November 8, 1999

LINCOLN COUNTY OFFICIALS

Fiscal Year Ended June 30, 1999

R. W. Gilbert	County Judge/Executive
John E. Hackley	County Attorney
George O. Spoonamore, III	County Clerk
Edith Cox	Circuit Court Clerk
Shelby R. Lakes	Sheriff
William David Gooch	Jailer
David Gambrel	Property Valuation Administrator
Teresa Padgett	County Treasurer
William Demrow	Coroner
Earlin Cress	Magistrate
Bill Dyehouse	Magistrate
John E. Stevens	Magistrate
Terry L. Wilcher	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

LINCOLN COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:

Cash \$ 379,471

Investments 200,000

Road and Bridge Fund:

Cash 52,045

Investments 100,000

Jail Fund:

Cash 114,084

Jail Commissary Fund:

Cash 14,732

Local Government Economic Assistance Fund:

Cash 4,463

Parks and Recreation Fund-Cash

2,577

Solid Waste Commission Fund-Cash

29,603

Law Enforcement Facilities Fund-Cash

268

Public Properties Corporation Government

Facilities Series 96 Fund:

Bond Account 4,131

Construction Account 5,511

Debt Service Account 145,230

Payroll Revolving Account-Cash

3,978

Other Resources

General Fund:

Amounts to be Provided in Future Years for Kentucky

Association of Counties Leasing Trust Agreements - Principal 569,413

Public Properties Corporation Government

Facilities Series 96 Fund:

Amounts to be Provided in Future Years for Principal Bond Payments

From Administrative Office of the Courts and Fiscal Court 1,710,639

Amounts to be Provided in Future Years From Administrative

Office of the Courts and Fiscal Court for Kentucky Area

Development District Financing Trust Lease Agreement - Principal 321,000

Total Assets and Other Resources

\$ 3,657,145

The accompanying notes are an integral part of the financial statements.

LINCOLN COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1999
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund - Kentucky Association of Counties	
Leasing Trust Agreements - Principal (Note 6-A,B,C)	\$ 569,413
Public Properties Corporation Government	
Facilities Series 96 Fund:	
Bond Principal Not Matured (Note 5)	1,860,000
Kentucky Area Development District	
Financing Trust Lease Agreement - Principal (Note 6-D)	321,000
Payroll Revolving Account	3,978

Fund Balances

Reserved:

Jail Commissary Fund	14,732
Parks and Recreation Fund	2,577
Solid Waste Commission Fund	29,603
Law Enforcement Facilities Fund	268
Public Properties Corporation Government	
Facilities Series 96 Fund-Construction Account	5,511

Unreserved:

General Fund	579,471
Road Fund	152,045
Jail Fund	114,084
Local Government Economic Assistance Fund	4,463

Total Liabilities and Fund Balances	<u>\$ 3,657,145</u>
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The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

LINCOLN COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 3,029,360	\$ 1,135,314	\$ 941,783	\$ 791,412
Transfers In	70,178			517
Jail Commissary Fund Receipts	93,273			
Total Cash Receipts	<u>\$ 3,192,811</u>	<u>\$ 1,135,314</u>	<u>\$ 941,783</u>	<u>\$ 791,929</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 2,745,003	\$ 1,024,839	\$ 931,880	\$ 750,709
Schedule of Unbudgeted Expenditures	382,513			
Transfers Out	70,178	45,596		
Bonds:				
Principal Paid	25,000			
Interest Paid	115,792			
Kentucky Association of Counties				
Leasing Trust-Principal Payments	24,562	24,562		
Kentucky Area Development District				
Financing Trust-Principal Payment	27,200			
Jail Commissary Fund Expenditures	87,216			
Total Cash Disbursements	<u>\$ 3,477,464</u>	<u>\$ 1,094,997</u>	<u>\$ 931,880</u>	<u>\$ 750,709</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (284,653)	\$ 40,317	\$ 9,903	\$ 41,220
Cash Balance-July 1, 1998*	<u>1,336,768</u>	<u>539,154</u>	<u>142,142</u>	<u>72,864</u>
Cash Balance-June 30, 1999*	<u>\$ 1,052,115</u>	<u>\$ 579,471</u>	<u>\$ 152,045</u>	<u>\$ 114,084</u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

LINCOLN COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Jail Commissary Fund	Local Government Economic Assistance Fund	Federal Grants Fund	Parks and Recreation Fund	Community Development Block Grant- Ceramicrome Fund	Solid Waste Commission Fund
\$	\$ 664	\$ 7,500	\$ 1,369	\$ 12,768	\$ 2,305 8,400
93,273					
\$ 93,273	\$ 664	\$ 7,500	\$ 1,369	\$ 12,768	\$ 10,705
\$	\$ 30,075	\$ 7,500	\$	\$ 12,768	\$ 5,591
87,216					
\$ 87,216	\$ 30,075	\$ 7,500	\$ 0	\$ 12,768	\$ 5,591
\$ 6,057	\$ (29,411)	\$ 0	\$ 1,369	\$ 0	\$ 5,114
8,675	33,874	0	1,208	0	24,489
\$ 14,732	\$ 4,463	\$ 0	\$ 2,577	\$ 0	\$ 29,603

The accompanying notes are an integral part of the financial statements.

LINCOLN COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Law Enforcement Facilities Fund	Public Properties Corporation Government Facilities Series 96 Fund Bond Account	Construction Account	Debt Service Account
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 268	\$ 122,100	\$ 7,169	\$ 6,708
Transfers In		49,150	12,111	
Jail Commissary Fund Receipts				
Total Cash Receipts	<u>\$ 268</u>	<u>\$ 171,250</u>	<u>\$ 19,280</u>	<u>\$ 6,708</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$	\$	\$	\$
Schedule of Unbudgeted Expenditures		9,257	354,897	
Transfers Out		5,763	12,111	6,708
Bonds:				
Principal Paid		25,000		
Interest Paid		115,792		
Kentucky Association of Counties				
Leasing Trust-Principal Payments				
Kentucky Area Development District				
Financing Trust-Principal Payment		13,800	13,400	
Jail Commissary Fund Expenditures				
Total Cash Disbursements	<u>\$ 0</u>	<u>\$ 169,612</u>	<u>\$ 380,408</u>	<u>\$ 6,708</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 268	\$ 1,638	\$ (361,128)	\$ 0
Cash Balance-July 1, 1998*	<u>0</u>	<u>2,493</u>	<u>366,639</u>	<u>145,230</u>
Cash Balance-June 30, 1999*	<u>\$ 268</u>	<u>\$ 4,131</u>	<u>\$ 5,511</u>	<u>\$ 145,230</u>

* Cash Balance Includes Investments

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Lincoln County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Jail Commissary Fund, Solid Waste Commission Fund, and Public Properties Corporation Government Facilities Series 96 Fund as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Lincoln County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system, which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 1999, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 4. Stanford-Lincoln County Industrial Development Authority/R. M. Bastin Lumber, Inc.
Lease – Purchase Agreement

In October 1997, Lincoln County received \$503,545 of Community Development Block Grant money, which was passed through to the Stanford-Lincoln County Industrial Authority for purchasing industrial equipment to be leased to R.M. Bastin Lumber, Inc. Pursuant to a lease-purchase agreement dated September 2, 1997, between Stanford-Lincoln County Industrial Authority (subrecipient of the County's federal funds), and R.M. Bastin Lumber, Inc., R.M. Bastin Lumber, Inc. is to repay the entire \$503,545 through monthly rental payments to the Stanford-Lincoln County Industrial Authority at a rate of 4 percent per annum over a period of ten years. As of November 30, 1998, R.M. Bastin Lumber, Inc. was in substantial compliance with the agreement. Outstanding principal balance as of November 30, 1998, was \$454,453. In January 1999, Stanford-Lincoln County Industrial Authority, with the concurrence of the Department for Local Government, deferred the principal and interest lease-purchase payments to be made to the Authority by R.M. Bastin Lumber, Inc. for a period of one year. Loan documents are to be revised showing reamortization of the loan including the principal at the date of closing plus the additional principal and interest deferred over the 12-month period.

Note 5. Long-Term Debt

Bonds outstanding of the Public Properties Government Facilities Project Bond Series 1996 Fund are:

Fiscal Year Ending June 30	Principal Payment	Interest Payment	Total Payment	Less Debt Service Reserve & Cap. Interest	Less AOC Rental Amount*	Net Amount Due From County
2000	\$ 30,000	\$ 114,543	\$ 144,543	\$ (7,988)	\$ (97,142)	\$ 39,413
2001	30,000	113,043	143,043	(7,988)	(97,142)	37,913
2002	30,000	111,543	141,543	(7,988)	(97,142)	36,413
2003	35,000	110,043	145,043	(7,988)	(97,142)	39,913
2004- 2027	1,735,000	1,692,005	3,427,005	(336,932)	(2,331,408)	758,665
Totals	<u>\$ 1,860,000</u>	<u>\$ 2,141,177</u>	<u>\$ 4,001,177</u>	<u>\$ (368,884)</u>	<u>\$ (2,719,976)</u>	<u>\$ 912,317</u>

* In accordance with a sublease agreement between Administrative Office of the Courts (AOC) and the Lincoln County Fiscal Court dated May 1, 1996, AOC committed itself to participate in providing part of the costs of constructing a courthouse annex through use allowance payments.

Note 6. Capital Lease Agreements

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

- A. On August 21, 1992, the Lincoln County Fiscal Court entered into a 20-year leasing agreement with KACO Leasing Trust for the purchase of an E-911 building facility. Principal payments are due annually by January 20.

Principal Payment Dates

<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Principal Payment</u>
1/20/2000	\$ 2,986	\$ 3,000
1/20/2001	\$ 2,798	3,000
1/20/2002	\$ 2,611	3,000
1/20/2003	\$ 2,449	2,000
1/20/2004	\$ 2,298	3,000
1/20/2005	\$ 2,085	4,000
1/20/2006	\$ 1,834	4,000
1/20/2007	\$ 1,584	4,000
1/20/2008	\$ 1,308	5,000
1/20/2009	\$ 1,021	4,000
1/20/2010	\$ 771	4,000
1/20/2011	\$ 495	5,000
1/20/2012	\$ 182	5,000
Total Principal Outstanding June 30, 1999		<u>\$ 49,000</u>

- B. On August 17, 1993, the Lincoln County Fiscal Court entered into a ten-year leasing agreement with KACO Leasing Trust for the purchase of E-911 equipment. Principal payments are due monthly.

Principal Payment Dates

<u>Fiscal Year Ending June 30, 1999</u>	<u>Scheduled Interest</u>	<u>Principal Amount</u>
2000	\$ 1,592	\$ 7,907
2001	\$ 1,188	8,269
2002	\$ 766	8,647
2003	\$ 324	9,043
2004	\$ 10	1,547
Total Principal Outstanding June 30, 1999		<u>\$ 35,413</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

- C. On April 6, 1996, the Lincoln County Fiscal Court entered into a 23-year leasing agreement with KACO Leasing Trust for the City of Stanford's Pine Hall Water Project. Principal payments are due annually by January 20.

Principal Payment Dates

<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Principal Amount</u>
1/20/2000	\$ 29,653	\$ 15,000
1/20/2001	\$ 28,724	15,000
1/20/2002	\$ 27,769	16,000
1/20/2003	\$ 26,752	17,000
1/20/2004	\$ 25,674	18,000
1/20/2005	\$ 24,533	19,000
1/20/2006	\$ 23,330	20,000
1/20/2007	\$ 22,066	21,000
1/20/2008	\$ 20,739	22,000
1/20/2009	\$ 19,351	23,000
1/20/2010	\$ 17,900	24,000
1/20/2011	\$ 16,388	25,000
1/20/2012	\$ 14,814	26,000
1/20/2013	\$ 13,152	28,000
1/20/2014	\$ 11,391	29,000
1/20/2015	\$ 9,570	30,000
1/20/2016	\$ 7,660	32,000
1/20/2017	\$ 5,626	34,000
1/20/2018	\$ 3,494	35,000
1/20/2019	\$ 1,301	36,000
Total Principal Outstanding June 30, 1999		<u>\$ 485,000</u>
Total KACO Leasing Trust Agreements		<u><u>\$ 569,413</u></u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

- D. On April 23, 1998, the Lincoln County Fiscal Court entered into a 10-year leasing agreement with a KADD Financing Trust for construction costs to complete the second floor of the courthouse annex.

Fiscal Year Ending June 30	Principal Payment	Interest Payment	Total Payment	Less AOC Rental Amount*	Net Amount Due From County
2000	\$ 28,800	\$ 17,359	\$ 46,159	\$ (28,000)	\$ 18,159
2001	30,400	15,744	46,144	(28,000)	18,144
2002	32,000	14,041	46,041	(28,000)	18,041
2003	33,800	12,246	46,046	(28,000)	18,046
2004- 2008	196,000	30,575	226,575	(140,000)	86,575
Totals	<u>\$ 321,000</u>	<u>\$ 89,965</u>	<u>\$ 410,965</u>	<u>\$ (252,000)</u>	<u>\$ 158,965</u>

* In accordance with a sublease agreement between Administrative Office of the Courts (AOC) and the Lincoln County Fiscal Court dated April 15, 1998, AOC committed itself to participate in providing part of the costs of completing the second floor of the courthouse annex through use allowance payments.

Note 7. Lease-Purchase Agreement

The county has entered into the following lease-purchase agreement:

Items Purchased	Annual Payment	Term of Agreement	Ending Date	Principal Balance 6/30/99
Two 1999 Ford Crown Victorias	\$ 11,482	3 Years	03/05/2002	<u>\$ 30,636</u>

Note 8. E-911 Sublease Agreements

- A. On August 21, 1992, the Lincoln County Fiscal Court entered into a 20-year lease agreement with KACO Leasing Trust for the purchase of an E-911 building. On that same date, Lincoln County Fiscal Court and Lincoln County Emergency Communications Commission entered into a sublease which stated that for and in consideration of E-911 being allowed to utilize the properties as set up in the KACO Leasing Trust agreement with the county, E-911 will reimburse the county all rental payments as set out in the county's KACO Leasing Trust agreement. As of June 30, 1999, E-911 was behind \$25,331 in reimbursement payments to the county.

Note 8. E-911 Sublease Agreements (Continued)

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

- B. On August 10, 1993, the Lincoln County Fiscal Court entered into a 10-year leasing agreement with KACO Leasing Trust for the purchase of E-911 equipment. On that same date, Lincoln County Fiscal Court and Lincoln County Emergency Communications Commission entered into a sublease which stated that for and in consideration of E-911 being allowed to utilize the properties as set up in the KACO Leasing Trust agreement with the county, E-911 will reimburse the county all rental payments as set out in the county's KACO Leasing Trust agreement. As of June 30, 1999, E-911 was behind \$41,865 in reimbursement payments to the county.

Note 9. City of Stanford Sublease Agreement

On April 4, 1996, the Lincoln County Fiscal Court entered into a 23-year leasing agreement with KACO Leasing Trust for the City of Stanford's Pine Hall Water Project. On that same date, Lincoln County Fiscal Court and the City of Stanford entered into a sublease which stated the City of Stanford will reimburse the county all rental payments as set out in the county's KACO Leasing Trust agreement. As of June 30, 1999, the City of Stanford was in substantial compliance with the agreement.

Note 10. Insurance

For the fiscal year ended June 30, 1999, Lincoln County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

LINCOLN COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	Budgeted Operating Revenue	Actual Operating Revenue	Over (Under) Budget
General Fund	\$ 1,314,732	\$ 1,135,314	\$ (179,418)
Road and Bridge Fund	862,961	941,783	78,822
Jail Fund	678,620	791,412	112,792
Local Government Economic Assistance Fund	900	664	(236)
Federal Grants Fund	132,500	7,500	(125,000)
Parks and Recreation Fund		1,369	1,369
	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 2,989,713</u>	<u>\$ 2,878,042</u>	<u>\$ (111,671)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 2,989,713
Add: Budgeted Prior Year Surplus			701,761
Less: Other Financing Uses			<u>(69,642)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 3,621,832</u>

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SCHEDULE OF OPERATING REVENUE

LINCOLN COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Revenue From Local Taxes and Excess Fees				
Sheriff:				
Taxes	\$ 444,404	\$ 444,404	\$	\$
Excess Fees-1998	17,000	17,000		
County Clerk:				
Deed Transfer Tax	35,639	35,639		
Delinquent Taxes	13,637	13,637		
Excess Fees-1998	90,000	90,000		
Tangible Personal Property Taxes:				
Other Counties	15,075	15,075		
County Clerk	92,346	92,346		
Omitted Tangible-KST	1,803	1,803		
Bank Shares	38,063	38,063		
Totals	<u>\$ 747,967</u>	<u>\$ 747,967</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>U.S. Treasurer</u>				
Appalachian Regional Commission				
Grant-E-911 Equipment	<u>\$ 33,016</u>	<u>\$ 33,016</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts-State Treasurer</u>				
Disaster and Emergency Assistance				
Grants-Coordinator Salary	\$ 1,800	\$ 1,800	\$	\$
Community Development Block				
Grants-Bastin Lumber Company	7,500			
Federal Disaster and Emergency				
Services/Emergency Management				
Agency Reimbursement	32,661		32,661	
Land and Water Conservation				
Program	<u>1,369</u>			
Totals	<u>\$ 43,330</u>	<u>\$ 1,800</u>	<u>\$ 32,661</u>	<u>\$ 0</u>

Local Government Economic Assistance Fund	Federal Grants Fund	Parks and Recreation Fund	Community Development Block Grant-Ceramicrome Fund	Solid Waste Commission Fund	Law Enforcement Facilities Fund
\$	\$	\$	\$	\$	\$
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$	\$	\$	\$	\$	\$
	7,500				
		1,369			
\$ 0	\$ 7,500	\$ 1,369	\$ 0	\$ 0	\$ 0

LINCOLN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Public Properties Corporation		
	<u>Government Facilities Series 96 Fund</u>		
	<u>Bond</u>	<u>Construction</u>	<u>Debt Service</u>
	<u>Account</u>	<u>Account</u>	<u>Account</u>
Revenue From Local Taxes <u>and Excess Fees</u>			
Sheriff:			
Taxes	\$	\$	\$
Excess Fees-1998			
County Clerk:			
Deed Transfer Tax			
Delinquent Taxes			
Excess Fees-1998			
Tangible Personal Property Taxes:			
Other Counties			
County Clerk			
Omitted Tangible-KST			
Bank Shares			
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>U.S. Treasurer</u>			
Appalachian Regional Commission			
Grant-E-911 Equipment	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts-State Treasurer</u>			
Disaster and Emergency Assistance			
Grants-Coordinator Salary	\$	\$	\$
Community Development Block			
Grants-Bastin Lumber Company			
Federal Disaster and Emergency			
Services/Emergency Managemen			
Agency Reimbursement			
Land and Water Conservation			
Program			
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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LINCOLN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Juvenile Reimbursements	\$ 5,030	\$	\$	\$ 5,030
Medical Allotments	4,509			4,509
Driving Under The Influence Fees	3,207			3,207
Housing State Prisoners	489,270			489,270
Court Costs, Jail Operation	76,890			76,890
County Road Aid	687,037		687,037	
Truck License Distribution	161,449		161,449	
Election Expense Reimbursement	7,650	7,650		
Courthouse Rental-Administrative				
Office of the Courts	162,776	41,476		
Refunds:				
Legal Process Tax	119	119		
Drivers Licenses	2,194		2,194	
Dog Licenses	348	348		
Mineral Severance Tax	35			
Board of Assessments	400	400		
Grants:				
Senate Bill 66	30,494	30,494		
Disaster and Emergency				
Assistance Grant-				
Coordinator Salary	600	600		
Transportation Grant	30,000		30,000	
Miscellaneous				
Totals	<u>\$ 1,662,008</u>	<u>\$ 81,087</u>	<u>\$ 880,680</u>	<u>\$ 578,906</u>

LINCOLN COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Federal Grants Fund	Parks and Recreation Fund	Community Development Block Grant- Ceramichrome Fund	Solid Waste Commission Fund	Law Enforcement Facilities Fund

\$	\$	\$	\$	\$	\$
----	----	----	----	----	----

35

\$	35	\$	0	\$	0	\$	0	\$	0	\$	0
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LINCOLN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Public Properties Corporation		
	<u>Government Facilities Series 96 Fund</u>		
	Bond	Construction	Debt Service
	<u>Account</u>	<u>Account</u>	<u>Account</u>
<u>Kentucky State Treasurer</u>			
Jail:			
Juvenile Reimbursements	\$	\$	\$
Medical Allotments			
Driving Under The Influence Fees			
Housing State Prisoners			
Court Costs, Jail Operation			
County Road Aid			
Truck License Distribution			
Election Expense Reimbursement			
Courthouse Rental-Administrative			
Office of the Courts	121,300		
Refunds:			
Legal Process Tax			
Drivers Licenses			
Dog Licenses			
Mineral Severance Tax			
Board of Assessments			
Grants:			
Senate Bill 66			
Disaster and Emergency			
Assistance Grant-			
Coordinator Salary			
Transportation Grant			
Miscellaneous			
Totals	\$ 121,300	\$ 0	\$ 0

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LINCOLN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
Interest	\$ 49,389	\$ 20,316	\$ 12,156	\$ 993
Circuit Clerk-Inmate				
Reimbursements	268			
Home Incarceration	1,067			1,067
Jail Bond Acceptance Fees	4,430			4,430
Nurse and Medical Fees	4,708			4,708
Work Release	7,380			7,380
Housing Prisoners-				
Other Counties	174,632			174,632
Jail:				
Telephone Commission Refunds	17,264			17,264
Community Development Block				
Grant Loan Repayments-				
Principal	12,673			
Interest	95			
Licenses and Permits:				
Building Permits	560	560		
Cable TV Franchise	11,765	11,765		
Charges for Services:				
Landfill User Fees	148,849	148,849		
Permit Fees	290			
Telephone Commission	489	489		
Recycling Fees	1,332	1,332		
City of Stanford Loan Repayments	39,615	39,615		
Insurance Reimbursements	11,447	3,811	7,636	
Rentals/Leases	28,644	28,644		
Other Reimbursements	19,714	11,953	7,316	
Scrap Metal Sales	722			
Farm Income	3,015	3,015		
Miscellaneous Items	4,691	1,095	1,334	2,032
Totals	\$ 543,039	\$ 271,444	\$ 28,442	\$ 212,506
Total Operating Revenue	\$ 3,029,360	\$ 1,135,314	\$ 941,783	\$ 791,412

LINCOLN COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Federal Grants Fund	Parks and Recreation Fund	Community Development Block Grant- Ceramicrome Fund	Solid Waste Commission Fund	Law Enforcement Facilities Fund
\$ 629	\$	\$	\$	\$ 618	\$
					268
			12,673 95		
				290	
				445 722	
				230	
\$ 629	\$ 0	\$ 0	\$ 12,768	\$ 2,305	\$ 268
\$ 664	\$ 7,500	\$ 1,369	\$ 12,768	\$ 2,305	\$ 268

LINCOLN COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Public Properties Corporation		
	<u>Government Facilities Series 96 Fund</u>		
	Bond	Construction	Debt Service
	<u>Account</u>	<u>Account</u>	<u>Account</u>
<u>Miscellaneous Revenue</u>			
Interest	\$ 800	\$ 7,169	\$ 6,708
Circuit Clerk-Inmate Reimbursements			
Home Incarceration			
Jail Bond Acceptance Fees			
Nurse and Medical Fees			
Work Release			
Housing Prisoners- Other Counties			
Jail:			
Telephone Commission Refunds			
Community Development Block Grant Loan Repayments- Principal			
Interest			
Licenses and Permits:			
Building Permits			
Cable TV Franchise			
Charges for Services:			
Landfill User Fees			
Permit Fees			
Telephone Commission			
Recycling Fees			
City of Stanford Loan Repayments			
Insurance Reimbursements			
Rentals/Leases			
Other Reimbursements			
Scrap Metal Sales			
Farm Income			
Miscellaneous Items			
Totals	\$ 800	\$ 7,169	\$ 6,708
Total Operating Revenue	\$ 122,100	\$ 7,169	\$ 6,708

COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

LINCOLN COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final</u> <u>Budget</u>	<u>Budgeted</u> <u>Expenditures</u>	<u>Under</u> <u>(Over)</u> <u>Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 55,344	\$ 52,658	\$ 2,686
Deputy County Judge/Executive	1,275		1,275
Finance Officer	19,908	14,524	5,384
Payroll Clerk	23,546	23,544	2
Other Salaries	11,800	11,550	250
Drug Testing	500	100	400
E-911 Address Services	7,800	7,800	
Office Expenses	13,579	13,394	185
Postal Charges	2,400	695	1,705
Training	2,000	1,377	623
Travel	3,000	1,981	1,019
Office of County Attorney:			
Salaries-			
County Attorney	6,963	6,962	1
Secretaries	9,000	9,000	
Office of County Clerk:			
Office Materials and Supplies	15,000	13,632	1,368
Tax Bill Preparation	3,167	3,166	1
Office of Sheriff:			
Deputies Salaries	10,000	10,000	
Maintenance and Repairs	6,039	6,038	1
Tax Bill Preparation	9,000	7,555	1,445
Gasoline	9,932	9,274	658
Auto Parts	3,421	3,401	20
Office Expenses	3,143	3,142	1
Uniforms	4,364	4,363	1
Vehicle Lease	11,783	11,782	1
Data Processing Equipment	2,634	2,634	

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of County Coroner:			
Salaries-			
County Coroner	\$ 14,967	\$ 14,967	\$
Deputy Coroner	4,800	4,800	
Office Supplies	500	500	
Expenses	6,000	5,933	67
Fiscal Court:			
Magistrates-			
Salaries and Expense Allowance	40,218	40,218	
Fiscal Court Clerk Salary	1,500	1,325	175
Training	1,997	1,995	2
Office of Property Valuation Administrator:			
Office Equipment	6,433	6,433	
Statutory Contribution	20,393	20,088	305
Office of Board of Assessment Appeals:			
Per Diem	2,400	800	1,600
Office of County Treasurer:			
County Treasurer Salary	27,205	27,205	
Travel/Training	616	615	1
County Law Library:			
Law Librarian Salary	600	600	
Elections:			
Per Diem-			
Election Commissioners	4,800	3,900	900
Election Officers	14,270	14,160	110
Advertising	5,050	5,018	32
Polling Places	500	350	150
Printing	10,000	6,622	3,378

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Economic Development:			
Contribution: SKEDC	\$ 2,000	\$ 2,000	\$
Courthouse:			
Maintenance Agreements	2,000	1,246	754
Janitor Salary	20,729	20,668	61
Pest Control	1,800	300	1,500
Improvements or New Construction	22,500	6,935	15,565
Maintenance Supplies	3,000	2,658	342
Custodial Supplies	4,500	2,873	1,627
New Janitorial Equipment	1,000	185	815
Uniforms	100	98	2
Medical Supplies	800	627	173
Telephone	12,500	11,672	828
Utilities	17,500	14,679	2,821
Annex Utilities	15,000	10,585	4,415
Other County Properties:			
Janitorial Service Bid	15,000	12,440	2,560
Maintenance Agreements	1,000		1,000
Building Maintenance/Supplies	8,500	8,360	140
Custodial Supplies	1,000	219	781
Utilities	19,500	16,914	2,586
<u>Protection to Persons and Property</u>			
Jail Video Arraignment System	5,800	5,800	
Building Code Enforcement:			
Building Inspector Fees	1,500	1,500	
County Fire Department:			
Contributions	21,000	21,000	

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Disaster and Emergency Services:			
Salaries-			
Supervisor	\$ 4,800	\$ 4,800	\$
Assistant	1,250	1,250	
Red Cross Office Supplies	1,500	1,088	412
Ambulance Service:			
Contribution	21,000	21,000	
Senate Bill 66 Grants	40,000	30,494	9,506
Emergency Dispatch Service:			
Dispatch Service	26,000	26,000	
Contribution	8,400	8,400	
Communications Equipment	42,677	33,016	9,661
Forestry Fire Protection:			
Kentucky State Treasurer	1,422	1,422	
Office of Public Defender:			
Public Advocacy	2,506	2,506	
<u>General Health and Sanitation</u>			
Dog Control:			
Dog Warden Salary	5,493	5,493	
Dog Shelter	24,000	23,984	16
Travel	5,597	5,597	
Sanitary Landfill:			
Solid Waste Contract	4,800	4,800	
Solid Waste Collection:			
Coordinator	12,410	4,590	7,820

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Health and Sanitation</u> (Continued)			
Recycling Programs:			
Personnel	\$ 10,590	\$ 10,590	\$
Contracted Agency	2,200	2,200	
Office Supplies	643	10	633
Gas and Fork Lift	500	216	284
Travel Reimbursement	357	219	138
Water System:			
Phase II Water Supply Plan	11,000	11,000	
McKinney Water Project Contribution	5,000		5,000
Soil and Water Conservation:			
Program Support	16,860	16,860	
<u>Social Services</u>			
Senior Citizens Program:			
Program Support	35,567	35,566	1
Ombudsman Agency Donation	1,500	1,500	
Property Acquisition/Renovation	360,000		360,000
Office of Public Advocate:			
Legal Fees	500		500
Services to Children and Youth:			
Eye Glasses	500		500
General Charity and Welfare:			
Pauper Burials	500	200	300
Medical Supplies	3,000	2,415	585
Other Social Service Programs:			
Contributions	2,250	2,250	

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Recreation and Culture</u>			
Parks:			
Logan Hubble Park-			
Building Maintenance	\$ 2,500	\$ 1,450	\$ 1,050
Seed and Fertilizer	590	588	2
Construction Materials	1,800	1,788	12
Equipment	500	220	280
Farm Reimbursement/Garrard Co.	1,482	1,482	
County School Parks-			
Materials and Supplies	5,540	290	5,250
Stanford Lions Club	9,000	9,000	
Other Recreation Programs:			
Cedar Creek Lake-Consultants	3,500		3,500
Cedar Creek Lake-Maps	500	106	394
Cedar Creek Lake-Special Project	5,000		5,000
<u>Debt Service</u>			
Interest on KACO Leasing Trust:			
E-911 Building	3,174	2,666	508
E-911 Equipment	2,075	1,426	649
Pine Hall Water Project	30,547	25,614	4,933
<u>Administration</u>			
General Services:			
Auditing	16,000	11,624	4,376
Bank Charges	5,400	5,394	6
Miscellaneous Contributions	500	50	450
Insurance	37,873	32,618	5,255
Building Insurance-			
Other County Properties	6,400	6,361	39
Courthouse Insurance	2,000	1,473	527
Fidelity/Surety Bonds	7,328	7,328	
Legal Notices	5,825	5,824	1
Miscellaneous Dues/Membership	2,500	2,087	413
Bluegrass ADD Dues	2,600	2,600	

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
General Services: (Continued)			
KACO Membership Dues	\$ 900	\$ 900	\$
Miscellaneous	3,084	2,855	229
Contingent Appropriations:			
Reserve for Transfers	127,336		127,336
Fringe Benefits:			
County Contributions-			
Social Security	43,500	43,455	45
Retirement	47,000	47,000	
Life Insurance	1,500	1,113	387
Disability Insurance	2,700	2,571	129
Health Insurance	31,999	28,629	3,370
Worker's Compensation	6,001	6,001	
Unemployment Insurance	3,000		3,000
Total Operating Budget	\$ 1,647,052	\$ 1,024,839	\$ 622,213
Other Financing Uses:			
a) Transfers to Solid Waste			
Commission Fund	8,400	8,400	
b) KACO Leasing Trust Agreements-			
Principal-			
E-911 Building	3,000	3,000	
E-911 Equipment	7,562	7,562	
Pine Hall Water Project	14,000	14,000	
c) Transfers to Public Properties Corporation			
Government Facilities Series 96 Fund	36,680	36,680	
Total General Fund	\$ 1,716,694	\$ 1,094,481	\$ 622,213

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Salaries-			
Road Supervisor	\$ 35,224	\$ 34,754	\$ 470
Road Foreman	24,101	23,575	526
Road Secretary	18,071	17,739	332
Drug Evaluation and Testing	1,000	730	270
Uniforms	2,100	1,918	182
Medical Supplies	850	644	206
Postal Charges	500	490	10
Road Maintenance:			
Road Labor Salaries	252,000	234,504	17,496
Crushed Stone and Gravel	100,000	99,948	52
Rental	1,000	150	850
Gasoline and Oil	54,000	43,941	10,059
Materials and Supplies	238,183	232,842	5,341
Machinery and Equipment	7,250	7,250	
Motor Vehicle Parts	74,000	71,785	2,215
Office Supplies	972	927	45
Utilities	6,400	6,047	353
Office Equipment	2,700	2,560	140
Miscellaneous	2,400	2,340	60
<u>Capital Projects</u>			
Buildings:			
County Road Garage	10,000	2,481	7,519
<u>Administration</u>			
General Services:			
Bank Charges	300	219	81
Liability Insurance-Vehicle, Building	40,000	37,288	2,712

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Contingent Appropriations:			
Reserve for Budget Transfers	\$ 9,951	\$	\$ 9,951
Fringe Benefits:			
County Contributions-			
Retirement	29,000	25,618	3,382
Social Security	26,000	21,629	4,371
Life Insurance	1,500	915	585
Health Insurance	42,600	39,422	3,178
Disability Insurance	3,000	2,492	508
Worker's Compensation	20,000	19,672	328
Unemployment Insurance	2,000		2,000
Total Road and Bridge Fund	\$ 1,005,102	\$ 931,880	\$ 73,222

JAIL FUND

Protection to Persons and Property

Office of Jailer:

 Personnel Services-

 Salaries-

Jailer	\$ 54,311	\$ 52,658	\$ 1,653
Deputies/Matrons	304,377	304,066	311
Administrative Assistant	26,344	26,344	
Medical Personnel	8,531	8,531	
Secretary	1,592	1,592	

Operations-

Cleaning Supplies	10,274	10,273	1
Maintenance Supplies	6,000	5,191	809
Food	100,000	95,879	4,121
Gasoline	1,500	894	606
Jail Linens	2,000	523	1,477
Office Supplies	1,726	904	822
Pest Control	1,080	1,080	
Prisoner Hygiene	1,500	1,372	128
Medical Supplies	20,000	10,151	9,849

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Office of Jailer: (Continued)			
Operations (Continued)-			
Staff Uniforms	\$ 5,000	\$ 3,653	\$ 1,347
Medical Services	34,075	18,094	15,981
Postage Charges	300	300	
Telephone	3,500	2,702	798
Utilities	25,600	25,015	585
Miscellaneous Operating Expense	1,140	1,138	2
Maintenance-			
Building Repairs	1,590	517	1,073
Equipment Repairs	10,423	10,422	1
Equipment-			
Food Service Equipment	3,238	3,238	
Law Enforcement Equipment	4,000	3,798	202
Juvenile Detention:			
Contract with Other Counties	25,240	25,240	
<u>Administration</u>			
General Services:			
Bank Charges	300		300
Building and Contents Insurance	1,600	1,534	66
Liability Insurance Auto's Miscellaneous	14,567	14,056	511
Insurance-Fidelity/Surety Bonds	433	432	1
Association Dues	450	450	
Staff Training	4,268	4,267	1
Contingent Appropriations:			
Reserve for Budget Transfers	10		10

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 31,200	\$ 29,972	\$ 1,228
Social Security	30,000	27,530	2,470
Life Insurance	1,400	860	540
Disability Insurance	3,000	2,091	909
Health Insurance	41,447	38,437	3,010
Worker's Compensation	11,074	11,074	
Unemployment Insurance	6,432	6,431	1
Total Jail Fund	<u>\$ 799,522</u>	<u>\$ 750,709</u>	<u>\$ 48,813</u>
LOCAL GOVERNMENT ECONOMIC <u>ASSISTANCE FUND</u>			
<u>Roads</u>			
Road Maintenance:			
New Highway Equipment	<u>\$ 34,579</u>	<u>\$ 30,075</u>	<u>\$ 4,504</u>
<u>FEDERAL GRANTS FUND</u>			
Bastin Lumber Company:			
Planning and Administration	\$ 7,500	\$ 7,500	\$
Logan Fort:			
Historic Preservation/Land Acquisition	<u>125,000</u>	<u></u>	<u>125,000</u>
Total Federal Grants Fund	<u>\$ 132,500</u>	<u>\$ 7,500</u>	<u>\$ 125,000</u>
<u>PARKS AND RECREATION FUND</u>			
Parks:			
Recreation Equipment	<u>\$ 3,077</u>	<u>\$ 0</u>	<u>\$ 3,077</u>

LINCOLN COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
Total Operating Budget - All Funds	\$ 3,621,832	\$ 2,745,003	\$ 876,829
Other Financing Uses:			
a) Transfers to Solid Waste			
Commission Fund	8,400	8,400	
b) KACO Leasing Trust Agreements-			
Principal-			
E-911 Building	3,000	3,000	
E-911 Equipment	7,562	7,562	
Pine Hall Water Project	14,000	14,000	
c) Transfers to Public Properties Corporation			
Government Facilities Series 96 Fund	36,680	36,680	
TOTAL BUDGET - ALL FUNDS	<u>\$ 3,691,474</u>	<u>\$ 2,814,645</u>	<u>\$ 876,829</u>

SCHEDULE OF UNBUDGETED EXPENDITURES

LINCOLN COUNTY
SCHEDULE OF UNBUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

<u>Expenditure Items</u>	Community Development Block Grant- Ceramicrome Fund	Solid Waste Commission Fund	Public Properties Corporation Government Facilities Series 96 Fund Bond Account	Construction Account
Stanford-Lincoln County				
Industrial Authority	\$ 12,679	\$	\$	\$
Bluegrass Industrial				
Development Foundation	89			
Advertising		75		
Recycle Center Supplies		480		
Truck Maintenance		2,831		
Dues		142		
Expense Reimbursement		176		
Office Equipment		945		
Box Rental		114		
Postage		43		
Part-Time Help		485		
Printing Checks		66		
Telephone		234		
Kentucky Area Development District				
Financing Trust-Interest			9,257	9,653
Architectural Services				27,877
Construction Costs				317,367
Totals	<u>\$ 12,768</u>	<u>\$ 5,591</u>	<u>\$ 9,257</u>	<u>\$ 354,897</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Ronald W. Gilbert, Lincoln County Judge/Executive
Honorable James R. Reed, Former County Judge/Executive
Members of the Lincoln County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Lincoln County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 8, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Lincoln County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lincoln County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Ronald W. Gilbert, Lincoln County Judge/Executive
Honorable James R. Reed, Former County Judge/Executive
Members of the Lincoln County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
November 8, 1999

**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**

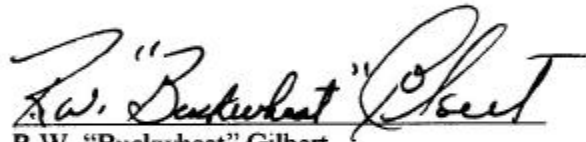
LINCOLN COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1999

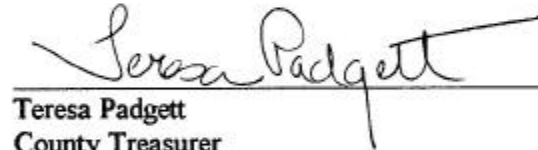
Appendix A

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
LINCOLN COUNTY FISCAL COURT

The Lincoln County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

A handwritten signature in cursive script, appearing to read "R.W. 'Buckwheat' Gilbert", written over a horizontal line.

R.W. "Buckwheat" Gilbert
County Judge/Executive

A handwritten signature in cursive script, appearing to read "Teresa Padgett", written over a horizontal line.

Teresa Padgett
County Treasurer